

FILED IN DISTRICT COURT  
OKLAHOMA COUNTY

IN THE DISTRICT COURT OF OKLAHOMA COUNTY  
STATE OF OKLAHOMA

JUL 28 2015

TIM RHODES  
COURT CLERK

LARRY MATLOCK,

Plaintiff,

v.

AMERICAN HEALTH AND LIFE  
INSURANCE COMPANY,

Defendants.

Case No:

CJ - 2015 - 4116

JURY TRIAL DEMANDED

PETITION

COUNT I

1. Plaintiff Larry Matlock purchased a credit life and disability insurance policy from the Defendant American Health and Life Insurance Company (AHLIC) through its authorized agent Citi Financial.

2. Subsequent to the purchase of this insurance policy and while this insurance policy was in full force and effect, Plaintiff became disabled and unable to work.

3. Plaintiff made a claim for policy benefits and complied with all conditions present to receiving benefits under the policy.

4. Defendant breached the insurance contract and the duty of good faith and fair dealing, as a matter of standard claim practice, by:

- a. failing and refusing payment and other policy benefits on behalf of Plaintiff at a time when Defendants knew that they were entitled to those benefits;
- b. failing to properly investigate Plaintiff's claims and to obtain additional information both in connection with the original refusal and following the receipt of additional information;
- c. withholding payment of the benefits on behalf of Plaintiff knowing that Plaintiff's claims for those benefits were valid;
- d. refusing to honor Plaintiff's claims in some instances for reasons contrary to the express provisions of the policy and/or Oklahoma law;
- e. refusing to honor Plaintiff's claims in some instances by applying restrictions not contained in the policy;

- f. refusing to honor Plaintiff's claims in some instances by knowingly misconstruing and misapplying provisions of the policy;
- g. failing to adopt and implement reasonable standards for the prompt investigation and reasonable handling of claims arising under these policies, to include Plaintiff's claims;
- h. not attempting in good faith to effectuate a prompt, fair and equitable settlement of Plaintiff's claims once liability had become reasonably clear;
- i. forcing Plaintiff, pursuant to its standard claims practice, to retain counsel in order to secure benefits Defendants knew were payable;
- j. failing to properly evaluate any investigation that was performed; and,
- k. unreasonably delaying benefits;

all in violation of the covenant of good faith and fair dealing and resulting in a financial benefit to the Defendant.

5. As a proximate result of American Health and Life Insurance Company's breach of contract and breach of the implied covenant of good faith and fair dealing, Plaintiff suffered the loss of the policy coverage, embarrassment, and mental distress.

6. American Health and Life Insurance Company was guilty of reckless disregard for the rights of Plaintiff and acted intentionally and with malice entitling Plaintiff to punitive damages.

**WHEREFORE**, Plaintiff prays for judgment against the American Health and Life Insurance Company for his damages, both compensatory damages and punitive damages, with interest and costs of this action, for a reasonable attorney fee, and for such other relief as may be appropriate. The amount sought as damages in in excess of the amount required for diversity jurisdiction pursuant to §1332 of Title 28 of the United States Code.

## **COUNT II**

7. At all times material hereto Citi Financial was the authorized agent for American Health and Life Insurance Company for soliciting the sale of insurance, receiving payment of

premiums, remitting those premiums to AHLIC, communications with the insured regarding premiums and canceling and reinstating the policy.

8. At or around the time Plaintiff submitted his disability claim, Plaintiff called Citi Financial and spoke with a representative in connection with filing his credit disability insurance claim. He was told by The Citi Financial representative that his credit disability insurance policy had been canceled. Plaintiff explained that he had continued to pay for the credit insurance and that the payments had not been returned. He explained that he was never given notice of any cancellation. AHLIC's agent at City Financial told Plaintiff to send a check for \$538.46 and write on the check that it was "insurance payment only" and his policy would be "reinstated". Plaintiff wrote that check and sent it on or about May 14, 2014 to City Financial. The City Financial representative further told Plaintiff to send separate checks for the house payment and for the credit insurance and Plaintiff complied with that instruction as well for premiums paid after May 2014.

9. Plaintiff made several subsequent phone calls to City Financial to find out the status of his credit disability insurance claim and was told that they were still working on the claim.

10. On or about September 30, 2014 a representative from City Financial called Plaintiff and advised that his credit disability insurance claim would not be paid, the insurance policy had been canceled, would not be reinstated, and that they would not refund his insurance premiums. Plaintiff provided copies of the premium payments to City Financial to prove the payments were made.

11. AHLIC's agent at City Financial induced a Plaintiff to pay monthly premiums for the credit insurance on the false representation that his insurance policy would remain in force or it would be reinstated and that his insurance claim would be paid.

12. These representations were false and were made either intentionally or with a reckless disregard for their truth.

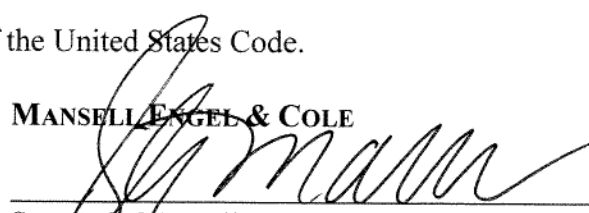
13. Plaintiff reasonably relied upon the representations of AHLIC's agent at City Financial representative and sent payments which were retained by Defendant.

14. As a result Plaintiff has been damaged in the amount of the premium payments made and has further suffered emotional distress and embarrassment.

15. American Health and Life Insurance Company was guilty of reckless disregard for the rights of Plaintiff and acted intentionally and with malice entitling Plaintiff to punitive damages.

**WHEREFORE**, Plaintiff prays for judgment against the American Health and Life Insurance Company for his damages, both compensatory damages and punitive damages, with interest and costs of this action, for a reasonable attorney fee, and for such other relief as may be appropriate. The amount sought as damages in in excess of the amount required for diversity jurisdiction pursuant to §1332 of Title 28 of the United States Code.

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**JURY TRIAL DEMANDED  
ATTORNEY LIEN CLAIMED**

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